

Descriptor Term: TAX SHELTER PROGRAMS

Descriptor Code: DJCC

Rescinds:

Board Approved: 2/27/12

Previously Approved:

The Gulfport School District may at its discretion act on behalf of individual employees to deduct and remit a salary reduction up to the contribution limit to a provider designated by the employee for §403(b) tax-sheltered programs. It is the purpose of this policy to establish the procedures necessary to administer those elective deferrals.

No deduction may be made from the wages of an employee for §403(b) programs without proper authorization by the employee. In order to comply with federal tax law and to protect the school district and its employees, the following guidelines are set forth.

All employees are permitted to enroll in the §403(b) program at any time providing they have on file a completed Salary Reduction Agreement.

The Chief Financial Officer shall be responsible for assuring that there is a Salary Reduction Agreement on file for each §403(b) deduction before any deduction is made.

Changes to §403(b) deductions may be made with completion of a new Salary Reduction Agreement. The employee is permitted to terminate the agreement at any time for amounts not paid, or available, with the termination to remain in effect until the end of the current calendar year, after which the employee may submit a new Salary Reduction Agreement.

Employees are responsible for determining that their contributions do not exceed the limits of the applicable law, which is \$17,000 in 2012 plus an additional \$1,000 per year for participants age 50 and over, as indexed or if the employee is making contributions under catch-up provisions or utilizing special elections.

The §403(b) program allows employees to have deductions made from their paycheck each pay period for twenty-four (24) pays. After the second pay in the month, deductions are remitted to the various service providers as soon as the amounts are confirmed.

The School District is not responsible for the selection or the performance of investment options.

All Service Providers will be requested to sign a Service Provider Agreement for §403(b) Retirement Programs (615A.2)

The Chief Financial Officer shall be responsible for assuring that there is a Service Provider Agreement on file for each entity that offers §403(b) products before any deduction is made.

Any entity desiring to be designated an approved Service Provider must complete a Service Provider Agreement in order to be considered for approval by the School Board.

Any service Provider who violates school policy shall be subject to termination of the privilege to market §403(b) products in the School District.